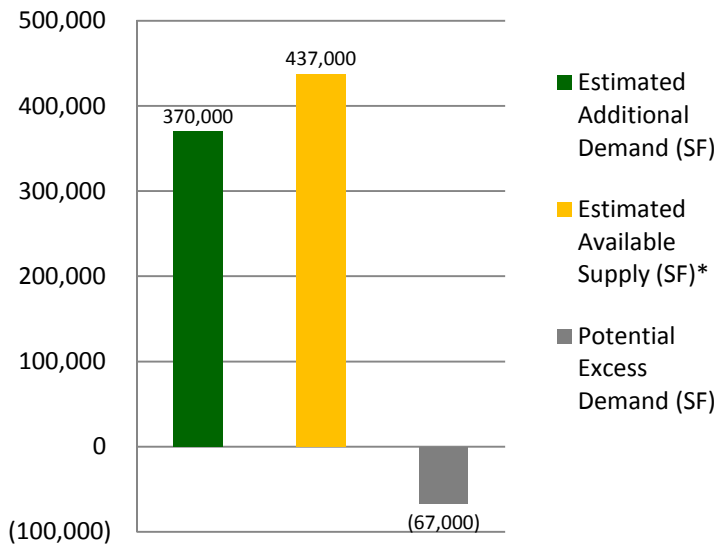


McDowell Road Task Force Office and Retail Market Position

Office Market

Estimated Supply & Demand for Office Space in South Scottsdale 2007-2020



Source: GG+A 2007 S. Scottsdale Market Study

*Includes 137,000 SF of Class A & B space vacant in 2007 + 300,000 SF planned in SkySong 3&4

- Recent economic forecasts estimate that the current supply of office space, valley wide, will not be absorbed for at least 5 years
- Phoenix office market conditions – Q3 2009
 - 21.3% vacancy
 - Class A – 24.6%
 - Class B – 22.1%
 - 2 million SF under construction
- Scottsdale office market conditions – Q3 2009
 - 24.6% vacancy
 - up from 14.6% in 2007
 - \$24.90/sf
 - down \$3.57/sf since 2007
- Southern Scottsdale office market conditions – Q3 2009
 - 1.5 million sf
 - 18.8% vacancy
 - Up from 9.3% in 2007

Source: CoStar

TOTAL OFFICE SUBMARKET STATISTICS

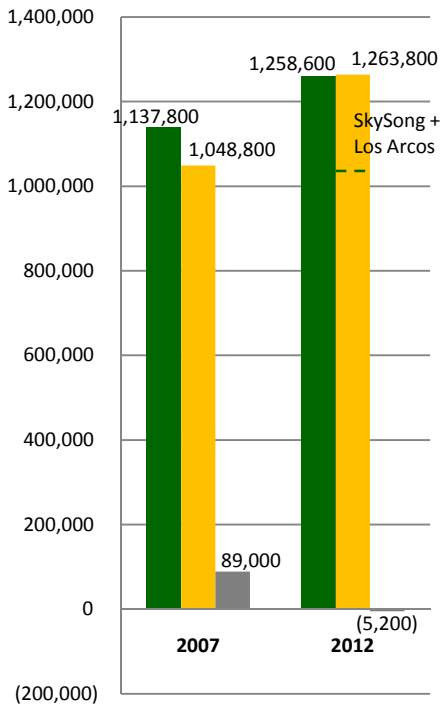
Third Quarter 2009

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldg	Total RBA	Direct SF	Total SF	Vac %				
44th Street Corridor	141	5,658,558	1,290,004	1,369,356	24.2%	(58,195)	0	0	\$22.77
Airport Area	183	8,861,592	1,267,350	1,346,293	15.2%	(213,582)	59,540	0	\$20.04
Arrowhead	344	3,849,006	725,868	756,272	19.6%	38,855	6,326	0	\$25.18
Camelback Corridor	235	8,953,742	1,804,349	1,939,461	21.7%	(295,982)	0	484,365	\$27.61
Central Scottsdale	400	8,956,520	1,877,213	2,038,202	22.8%	613	178,258	0	\$24.53
Chandler	425	6,532,547	1,824,126	1,830,467	28.0%	263,678	440,899	0	\$24.50
Deer Valley/Airport	307	11,004,091	2,309,242	2,421,501	22.0%	(26,642)	287,135	0	\$21.89
Downtown North	361	12,949,765	2,221,767	2,317,632	17.9%	(650,923)	0	0	\$21.03
Downtown South	202	8,389,466	1,080,732	1,153,014	13.7%	(153,018)	0	1,045,000	\$29.75
Glendale	169	2,667,621	969,013	977,604	36.6%	14,403	38,954	0	\$27.30
Loop 303/ Surprise	143	1,648,244	492,775	501,035	30.4%	(83,334)	12,816	64,426	\$26.75
Mesa Downtown	186	1,781,980	194,908	194,908	15.7%	(4,183)	0	0	\$15.96
Mesa East	409	3,730,451	585,363	601,462	16.1%	7,844	0	0	\$20.94
Midtown/Central Phoenix	457	4,798,484	756,049	759,656	15.8%	(169,670)	0	0	\$17.42
Northwest Phoenix	534	8,513,696	1,476,155	1,517,341	17.8%	(149,197)	0	0	\$18.37
Paradise Valley	273	4,938,991	1,039,005	1,100,906	22.3%	(71,091)	10,356	0	\$25.26
Piestewa Peak Corridor	192	3,409,597	525,887	577,204	16.9%	(112,752)	0	0	\$19.07
Scottsdale Airpark	551	14,303,387	3,591,171	4,088,791	28.6%	(11,743)	521,023	120,500	\$25.76
Scottsdale South	501	6,913,606	1,196,208	1,292,095	18.7%	(210,838)	0	0	\$22.81
South Tempe/Ahwatukee	248	4,840,171	1,006,395	1,107,253	22.9%	(54,429)	120,976	5,250	\$22.45
Southwest Phoenix	362	3,500,130	537,510	537,510	15.4%	(3,821)	7,684	38,885	\$16.28
Superstition Corridor	395	6,329,024	1,580,440	1,623,130	25.6%	(97,101)	0	0	\$21.72
Tempe	317	5,026,332	944,113	981,361	19.5%	(415,308)	12,074	259,171	\$23.50
West I-10	133	1,904,653	307,015	316,649	16.6%	34,954	22,101	0	\$26.41
Williams Gateway/Loop 202	234	2,201,840	815,389	829,487	37.7%	161,367	210,100	16,500	\$26.02
Totals	7,702	151,163,494	30,418,047	32,178,590	21.3%	(2,260,095)	1,928,242	2,034,097	\$23.61

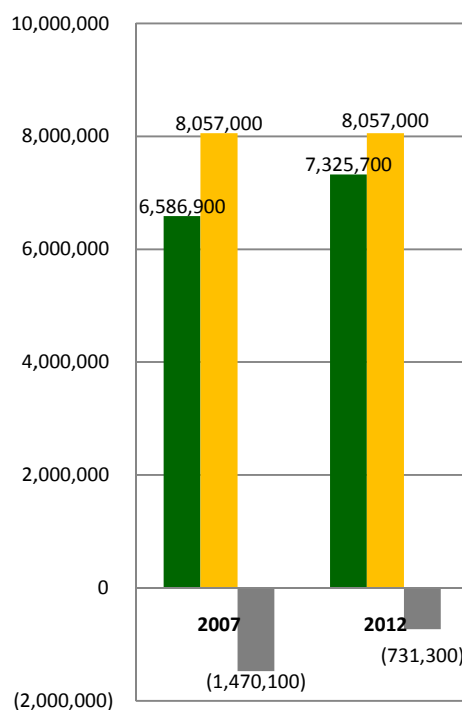
Source: CoStar Property®

Retail market

Retail Space Supply & Demand in
Square Feet
5-Minute Drive Time Trade Area



Retail Space Supply & Demand in Square
Feet
12-Minute Drive Time Trade Area



- Phoenix retail market conditions – Q3 2009
 - 11.4% vacancy
 - 1 million SF under construction
- Scottsdale retail market conditions – Q3 2009
 - 21 million SF
 - 12.3% vacancy
- Southern Scottsdale retail market conditions – Q3 2009
 - 2.6 million SF
 - 22% vacancy
 - Up from 3.5% in 2007
- Southern Scottsdale Redevelopment opportunities
 - Vacant Auto Dealers approx. 45 acres

Source: GG+A 2007 S. Scottsdale Market Study

*2007 & 2012 supply estimates do not include an estimated 420,000 SF in existing unanchored retail centers in S. Scottsdale

2012 supply estimate includes 215,000 SF proposed at SkySong and Los Arcos Crossing

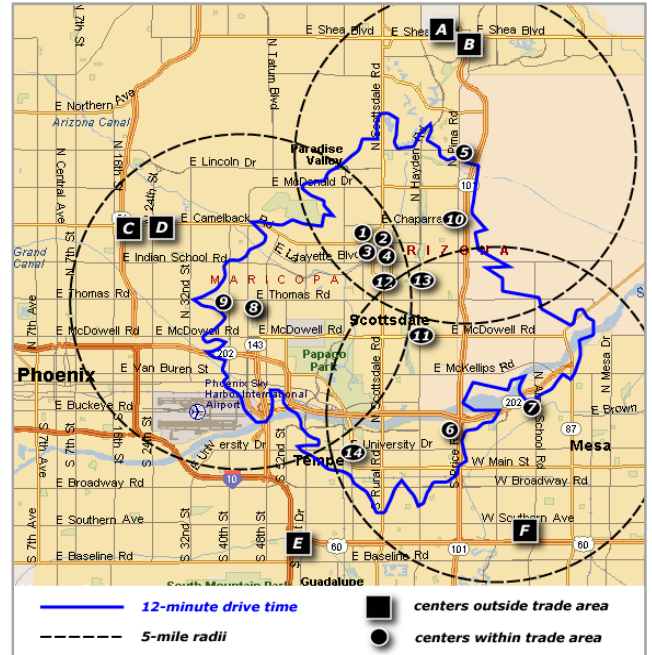
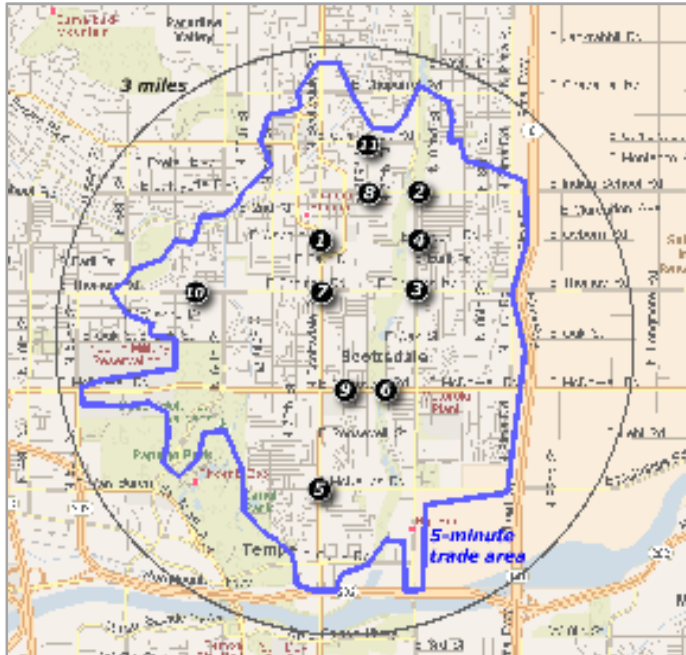
TOTAL RETAIL SUBMARKET STATISTICS

Third Quarter 2009

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bids	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
44th Street Corridor	94	1,871,957	193,627	237,940	12.7%	(23,632)	0	0	\$17.06
Airport Area	129	3,319,468	102,201	105,001	3.2%	72,738	0	0	\$19.44
Arrowhead	455	12,828,627	1,004,078	1,025,809	8.0%	(106,616)	52,900	0	\$21.46
Camelback Corridor	87	2,974,011	219,258	256,758	8.6%	(78,608)	0	0	\$23.10
Central Scottsdale	198	5,564,069	888,799	901,335	16.2%	(319,207)	0	0	\$22.07
Chandler	541	17,074,653	1,699,575	1,707,557	10.0%	(108,807)	241,617	216,305	\$17.97
Deer Valley/Airport	495	14,063,757	1,819,940	1,870,182	13.3%	(31,756)	93,568	0	\$16.94
Downtown North	83	1,030,582	178,984	178,984	17.4%	(15,499)	0	0	\$17.99
Downtown South	60	877,034	84,942	84,942	9.7%	(9,850)	9,872	0	\$21.99
Glen Dale	528	11,974,532	1,451,204	1,561,483	13.0%	(256,718)	47,696	0	\$15.85
Loop 303/ Surprise	291	5,989,464	504,555	533,369	8.9%	251,425	299,249	0	\$22.75
Mesa Downtown	93	993,895	94,567	102,967	10.4%	(23,471)	0	0	\$9.79
Mesa East	630	13,120,599	1,832,086	1,864,272	14.2%	(304,862)	100,220	0	\$14.70
Midtown/Central Phoenix	296	3,623,993	459,354	464,314	12.8%	(44,199)	2,552	0	\$13.78
Northwest Phoenix	641	12,791,720	1,492,023	1,505,370	11.8%	(175,352)	0	0	\$13.43
Paradise Valley	542	12,657,388	1,053,680	1,109,029	8.8%	(149,201)	154,000	0	\$16.45
Piestewa Peak Corridor	175	2,151,426	257,861	257,861	12.0%	22,681	0	0	\$21.73
Scottsdale Airpark	310	9,255,329	916,191	1,019,366	11.0%	(193,993)	36,104	3,600	\$25.72
Scottsdale South	281	6,671,326	713,766	723,476	10.8%	(170,996)	0	170,000	\$16.97
South Tempe/ Ahwatukee	355	10,264,774	845,523	864,905	8.4%	(68,779)	0	0	\$16.63
Southwest Phoenix	523	10,022,504	994,063	999,713	10.0%	(263,615)	7,575	0	\$14.61
Superstition Corridor	563	17,441,701	2,323,187	2,385,549	13.7%	(562,004)	11,636	0	\$16.96
Tempe	253	6,697,980	652,922	773,025	11.5%	113,184	310,942	12,842	\$14.89
West I-10	326	8,153,738	1,351,702	1,354,316	16.6%	(113,157)	55,630	599,913	\$22.89
Williams Gateway/ Loop 202	277	8,336,774	853,620	883,146	10.6%	97,218	195,713	10,000	\$24.49
Totals	8,226	199,751,302	22,027,708	22,770,669	11.4%	(2,462,476)	1,619,274	1,012,660	\$17.94

Source: CoStar Property®

Retail Market Supply



Anchored Neighborhood Shopping Centers and Free-Standing Grocery Stores in Five-Minute Drive Time Trade Area							
Map Key	Center Name	Location/ Jurisdiction	Year Built	Building Space # Square Feet	Anchors	Occupancy Rate %	Annual Rent \$ per Square Foot
1	Walgreens-Staples Center	Osborn & Scottsdale / Scottsdale	1994	45,000	Walgreens, Staples		
2	Basha's/Walgreen's Center	Indian School & Hayden	1960 (rebuilt 2004)	64,110	Basha's, Walgreen's	100%	
3	Indian River Plaza	Hayden & Thomas / Scottsdale	1979	92,341	CVS, 99 Cent Only	90%	15-18
4	Office Max Plaza	Osborn & Hayden / Scottsdale	1981	76,435	Office Max, Big 5	96%	22
5	Sun Plaza	Scottsdale & McKellips / Tempe	1977	77,810	Sun Foods, Big Lots	92%	12-18
6	Fountain Plaza	McDowell & 77th St / Scottsdale	1980	105,991	Fry's, Dollar Tree, Hollywood Video, Rent-a-Center, Sherwin Williams, Post Office	95%	20-25
7	Scottsdale Crossings	Thomas & Scottsdale / Scottsdale	1991	119,467	Albertson's, Ace Hardware, Jamba Juice, Noodles, Great Clips, Jewelry Exchange, Play It Again Sports, Einstein Bagels, Blockbuster, Subway	100%	25-29
8	Miller Plaza	Miller & Indian School/Scottsdale	1975	120,000	Fry's	83%	22-26
9	Los Arcos Crossing	74th St & McDowell / Scottsdale	1975	124,349	Basha's, Auto Zone	<100%	
10	Fry's	Thomas & 61st Place/Scottsdale	1977	45,000	freestanding	NA	
11	Camelback Miller Plaza	Miller & Camelback/Scottsdale	1979	178,271	Osco, TJ Maxx, Sunflower Market		
	TOTAL			1,048,774			
Sources: City of Scottsdale; Gruen Gruen + Associates.							

TABLE IV-4				
Supply of Community Centers, Power Centers, Regional and Super-Regional Malls in Close Proximity to the 12-Minute Drive Time Trade Area				
Map Key	Name	Location/ Jurisdiction	Total Space # Square Feet	Anchor Tenants
A	Pima Crossing	Pima and Shea/ Scottsdale	269,000	Stein Mart, Popular Outdoor, Pier 1 Imports
B	Scottsdale Fiesta	Pima and Shea/ Scottsdale	514,000	Home Depot, Barnes & Noble, CompUSA, Office Max, PetsMart, Linens'n'Things
C	Camelback Colonnade	20th and E. Camelback/Phoenix	626,000	Mervyn's, Old Navy, Best Buy, Staples, Michaels
D	Biltmore Fashion Park	24th and E Camelback/ Phoenix	595,000	Macy's, Saks Fifth Avenue, Border's
E	Arizona Mills Mall	I-10 and Route 60/ Tempe	1,200,000	Ross Dress for Less, Sports Authority, Sears, JC Penney Outlet, Neiman Marcus Outlet, Saks Fifth Avenue Outlet
F	Fiesta Mall	Route 60 and S. Alma School/ Mesa	1,037,000	Dillard's, Macy's, Sears, Target
	TOTAL		4,241,000	
Sources: City of Scottsdale; Kimco Development, Inc.; City of Tempe; Westcor Shopping Centers; Gruen Gruen + Associates.				

TABLE IV-3						
Supply of Community Centers, Power Centers, Regional and Super-Regional Malls and Free-standing Big-box Stores Within 12-Minute Drive Time Trade Area						
Map Key	Name of Center or Store	Location/Community	Total Space # Square Feet	Occupancy Rate	Year Built	Anchor Tenants
1	Scottsdale Fashion Square	Camelback & Scottsdale/ Scottsdale	1,900,000	100%	1961, 1998	Dillard's, Macys, Nordstrom's, Neiman Marcus, Crate & Barrel
2	Scottsdale Waterfront	Camelback & Scottsdale/ Scottsdale	225,000	100%	2005	Borders (25,000 sf open 2005) + Others
3	Fifth Avenue District	Indian School & Scottsdale/Scottsdale	393,000	N/A	1950/ 1960s	Specialty/Tourist Retail
4	Main Street/Old Town District	Indian School & Scottsdale/Scottsdale	477,000	N/A	1950/ 1960s	Specialty/Tourist Retail
5	Scottsdale Pavilions	Indian Bend & I-101/Scottsdale	1,090,000	92%	1989	Target, Home Depot, Best Buy, Circuit City, Michael's, Jo-Ann Fabrics, Mervyn's, Ross Dress for Less, Sheplers Western
6	Tempe Marketplace	Loops 202 and 101/Tempe	1,300,000	95%	2007	Target, Linen N Things, Best Buy Sam's Club, JC Penney, Office Max, Michael's, PetsMart, Old Navy, Pier 1 Imports, Cost Plus
7	Mesa Riverview	I-202 & Dobson/Mesa	1,237,000	80-85%	2007	Bass Pro Shops, Super Wal-Mart, Home Depot, Bed Bath & Beyond, Petco, Jo-Ann Fabrics, Marshall's, Sheplers, Kirklands
8	Arcadia Crossing	44th and Thomas/Phoenix	625,000	N/A Former Ultimate Electronics' Space Vacant	1995	Target, Home Depot, Costco, Ross Dress for Less, Office Max, Petco
9	Desert Palms Power Center	38th and Thomas/Phoenix	450,000	99%		Wal-Mart, Home Depot, PetsMart, Staples, Dollar Tree, Walgreen's
10	Wal-Mart	Chaparral & Pima/Scottsdale	125,000	100%	1994	Wal-Mart
11	Lowe's	McDowell & Hayden/Scottsdale	171,000	100%	2007	Lowe's
12	Staple's	Osborn & Scottsdale/Scottsdale	17,000	100%	1994	Staples, Kyoto Bowl
13	OfficeMax Plaza	Osborn & Hayden/Scottsdale	22,000	100%	17+ years	Office Max, Big 5, Starbucks, Subway
14	Border's	Mill Avenue/Tempe	25,000	100%	2001	
	TOTAL		8,057,000			
Sources: City of Scottsdale; Gruen Gruen + Associates.						